

PAYROLL SYLLABUS AND KEY NOTES

COURSE NUMBER APAY4089

AGENCY PAYROLL

Classroom Protocol

1. Attendance
2. Housekeeping and Facility Rules
3. Introductions
4. Classroom Activity Overview

New Definitions

- **Additional Pay** – Earnings that an employee will be paid on a regular basis in addition to regular pay and does not add to base pay for overtime calculation. Examples are housing allowance, legislative monthly allowance, fringe benefits, recovery of wage overpayment, uniform allowance, etc. Do not confuse additional pay with a one-time payment, such as overtime or suggestion awards which Central Payroll will enter directly on the paysheet. This also is not earnings that were not processed during the regular payroll run.
- **Effective Date** - A method of dating information in PeopleSoft Enterprise applications. Information can be predated to add historical data to the system, or postdate information in order to enter it before it actually goes into effect. By using effective dates, values are not deleted: new values are entered with a current effective date.
- **EmplID** – System Generated Employee Identification Number.
- **Employee Self Service** - Self-service transactions are extensions of the core Edison system. It enables employees to update their personal information or to perform some basic task required by their job.
- **Final Pay Calculation** - Final calculation performs the same calculations as preliminary calculations. Final calculation produces the final results of the payroll. It sets the Locked for Confirm indicator to prevent automatic updates to the paysheet when certain employee pay data is changed.
- **Garnishments** - PeopleSoft can process several types of garnishments:
 - **Child, spousal, or dependent support** - Court-ordered deductions for support of another person, whether it is a child, ex-spouse, or dependent.
 - **Tax Levies** – Federal- or state-mandated deductions for delinquent tax payments.
 - **Creditor garnishments** - Deductions derived from an employee not paying an obligation to a creditor.

- **Administrative wage garnishments** - Federal-mandated deductions for delinquent non-tax debts owed to the U.S. government.
- **Student Loan** - Deductions for delinquent loans for education granted under the Federal Family Education Program.
- **Bankruptcy order** - Deductions for employee declared bankruptcy, which are paid to a trustee of the federal court handling the payments to the employee's creditors.
- **Wage assignment** - Voluntary employee deduction based on an agreement to directly transfer part of their wages to another party.
- **General Deductions** - Deductions that do not offer benefits such as charity fund, savings bonds, TSEA Dues, etc. With Edison, several benefits have moved to general deductions. Those deductions include Long Term Care, Universal Life, Term Life, 457-American General, and 403b. The 457 American General and 403b are closed plans. Long Term Care, Universal and Term Life are moving to general deductions because of premium factors and age graded tables to name a few.
- **National ID** – Social Security Number
- **On-Cycle** – On-cycle processing refers to executing regularly scheduled Payroll processing events. In PeopleSoft, these are recurring runs for which period, calendar, and calendar groups have been predefined. Every effort should be made to process all employees on the on-cycle. The on-cycle payroll closes processing for the current pay period.

For example, a paygroup with a monthly frequency has twelve regularly scheduled on-cycle payrolls each year and a paygroup with a semi-monthly frequency has 24 regularly scheduled on-cycle payrolls each year.

- **Off-Cycle** – Off-cycle payroll processing refers to processing payments and making corrections to finalized results outside of the normal payroll schedule. Off-cycle transactions are typically made to correct prior payments or to make early termination payments that cannot wait until the next scheduled on-cycle payroll. Off-cycle processing opens up payroll processing for the next pay period.
- **Pay Confirmation** - Pay confirmation is the final step in processing payroll. Running the Pay Confirmation process indicates that the results of the payroll process have been reviewed and approved for this pay run. It also indicates that checks and direct deposit are ready for creation.

After a payroll has been confirmed, checks, direct deposits and any other payroll reports can be generated. Employees may View Paycheck through Self Service after the pay confirmation process.

- **Pay Cycle** - The set of rules that define the criteria by a payroll processing cycle is built.
- **Paysheets** - Paysheets are similar to a worksheet in Excel; they are similar to a ledger for time reporting. Paysheets have on average 7 employees per sheet.

- **Payline** - Paylines are individual employees on a paysheet. Paylines are similar to rows in a spreadsheet.
- **Preliminary Pay Calculation** - Preliminary calculation is your first round of calculations and may be run several times during a payroll processing cycle. Preliminary calculations provide gross to net results. While processing preliminary calculations, changes can still be made and issues resolved.
- **Reverse Paychecks** - A reversal is appropriate when a check or payment has been produced and it is subsequently realized that the check or payment should not have been processed at all, or produced with incorrect information, and the check has not been cashed or deposited.

Examples:

- An employee is terminated at the end of the last pay period and receives what should be the final paycheck. However, the Human Resources department fails to enter the termination into the system. So, when paysheets are created and processed for the next pay period, the system produces a paycheck for the employee. The employee's supervisor reports the termination to the Payroll department and that no check should have been produced. The Payroll department runs a reversal on the incorrectly issued check backing it out of the system.
 - An employee was not paid at the right rate.
 - An employee was taxed in the wrong state.
- **Retro Pay** – PeopleSoft Payroll automatically generates retro pay requests when the HR department makes pay-related changes to Job Data. The system also automatically generates retro pay requests when Central Payroll creates Additional Pay records with an effective date earlier than, or equal to the pay end date of the last check paid to the employee.

Updates to the specific Job Data fields create retro pay requests when the effective date of the change is earlier than, or equal to, the pay end date of the last check paid to the employee. These fields are Compensation Rate, Employee Status, Shift, Compensation Frequency, Standard Hours, Shift Rate, Shift Factor, Effective Date, Effective Sequence, FLSA status

- **Run Control ID** - A unique ID to associate each user with his or her own Run Control Table entries.

Module Discussion(s)

The Agency Payroll course will cover the role an Agency plays in the Payroll process. The information discussed in this module includes understanding the Edison Payroll business processes, viewing and understanding employee information including tax data, deductions, garnishments and savings bonds, the off-cycle check purpose and process, retroactive transactions and generating reports and queries.

Role Overviews

The maintenance of the State's payroll data will be supported by Central Payroll personnel and validated by Agency Payroll personnel. To help facilitate their activities the Call Center will be the central point of contact for payroll inquiries. The roles of these groups are described below:

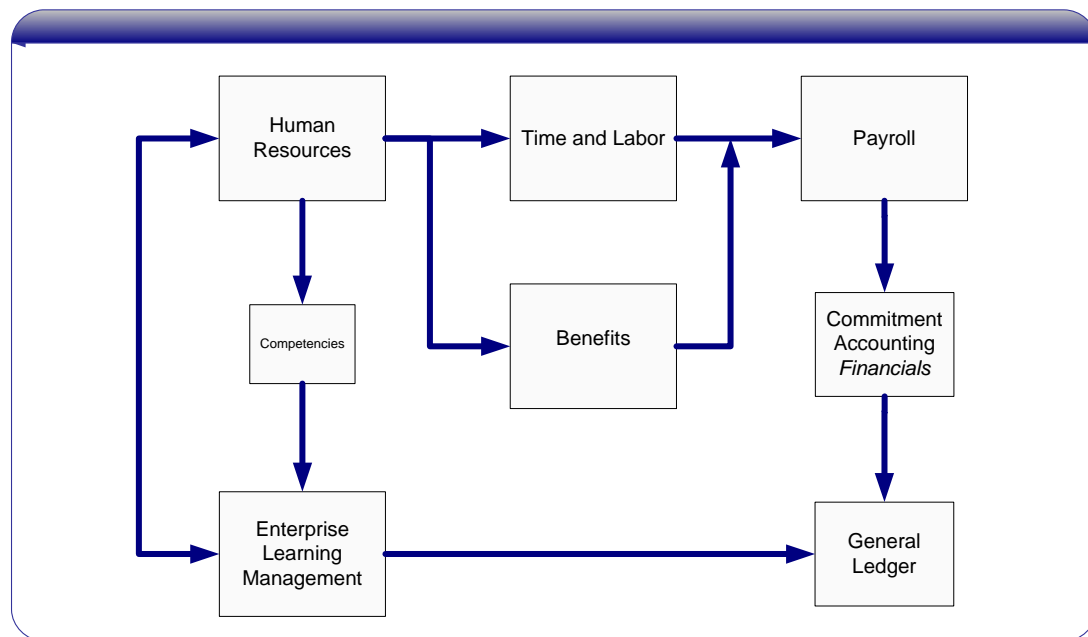
Agency Payroll Specialist	Person responsible for payroll processes within the agency. Agency Payroll Specialist will have view access to employee payroll information. This role will do more analysis and less data entry; they will review reports and assist Central Payroll in assuring that all employees within their agency are paid accurately and timely.
Central Payroll Administrator	<p>A business analyst within the Central Payroll division responsible for key payroll processing activities. Those activities include all transactions not completed by the employee through employee self service. Activities such as maintenance of direct deposit accounts, charity funds, general deductions, and garnishments.</p> <p>A Central Payroll Administrator will also be responsible for processing on-cycle and off-cycle payroll calculations, reviewing and correcting any errors encountered during calculation process, processing check reconciliation, balancing of the pay period payroll to the financial system, filing of pay period taxes, filing of quarterly and annual tax returns, and assisting Agency Payroll Specialists with problem resolution.</p>
Call Center	The central point of contact for payroll inquiries from employees and/or Agency Payroll Specialists. Inquiries may include employment verification, W-2 reissue requests, lost check requests, Garnishment inquiries, ACH returns, or off-cycle check requests.

HCM Integration

- Edison system provides improved integration
- Integration reduces duplicate entry of data
- Employee's status in the HR module drives other modules
- Payroll is a component of HCM instead of Financials
- Electronic workflow, signatures, and approvals lead to increased efficiency

Utilizing PeopleSoft as a tool, Edison is able to make use of common information from one business area to another.

This diagram shows the Edison HCM Information Flow:

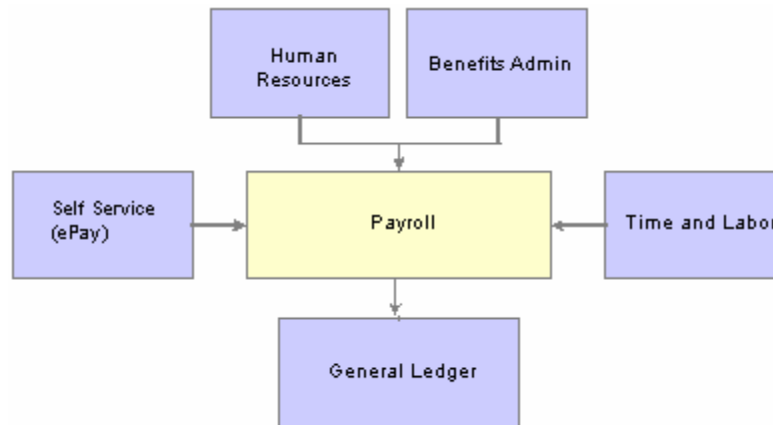


Payroll Lesson 1: Introduction to Edison Payroll using PeopleSoft

Discussion

This lesson is an introduction to Edison Payroll and its integration relationship with Human Resources, Benefits and Time and Labor. We will also review the role responsibilities of the Central Payroll and Agency Payroll departments.

The diagram shows the applications with which Payroll integrates with HCM and Financials:



Human Resources:

- Payroll retrieves an employee's national ID number, address, and job compensation.
- Payroll retrieves funding source information for earnings and fringe costs from Commitment Accounting.
- Sets up a trigger for retroactive processing when there is a change in an employee's job compensation.

Benefits Administration:

- Sets up a trigger for retroactive processing when there is a change in an employee's benefits enrollment.
- Payroll retrieves the benefit plans for which an employee is eligible from Benefits Administration.

Self-Service:

- Payroll transmits employee pay data for PeopleSoft ePay for online access by employees.
- Payroll retrieves online employee changes to direct deposit information, W-2 reissue requests, and federal W-4 tax information.

Time and Labor:

- Payroll loads time and labor data, such as payable time, to paysheets for processing.
- Payroll sends labor distribution information (time and labor costs) to Time and Labor.

General Ledger:

- Payroll transmits the expenses and liabilities that are incurred from a pay cycle to the General Ledger application.

PeopleSoft supports the following high-level business processes:

- Set Up and Maintain Core Payroll Tables
- Setup and Maintain Employee Pay Data
- Process the Payroll

Central Payroll supports:

Set Up and Maintain Employee Pay Data

Employee pay data includes personal data, job data, benefits data, and federal, state/provincial, and local tax information, general and benefit deductions, additional pay, garnishments, savings bonds, and direct deposits.

Process the Payroll

The basic steps of payroll processing are: create paysheets, pay calculation, pay confirmation, and generate checks and direct deposits. Audit reports and data review pages are available to verify and correct the results of each step before moving on. Employee balances are also available for review and adjustment, as needed.

Edison Administration supports:

Set Up and Maintenance of Core Payroll Tables

Core payroll tables are required to implement the PeopleSoft Payroll application, including organization tables, compensation and earnings tables, deduction tables, pay calendar tables, garnishment tables, vendor tables, general ledger interface, tax tables, retroactive processing, and tip allocation. PeopleSoft updates tax tables annually in accordance with any IRS changes. In Edison, these tables will be maintained by the Edison Administration group. Central Payroll will inform the Agencies of updates and changes.

Payroll Lesson 1: Introduction to Edison Payroll

Discussion

This lesson is an introduction on the Enterprise Payroll for North America and its integration relationship with Human Resources, Benefits and Time and Labor.

Activities

1. Understanding Edison Payroll and Integration– Discussion Only

Exercises

None

Self-Assessment

None

Payroll Lesson 2: Viewing Employee Data

Discussion

This lesson will include accessing employee tax, general deduction and savings bond information. The tax information includes the employee's Federal, State and Local tax records used to calculate the employment taxes.

Key Notes:

- Using Self-Service, employees will be able to view and update their Federal tax information.
- Request for additional pay should come from the supervisor to agency payroll specialist.
- Use of an Employee Id rather than SSN as the key to retrieve employee records
- Edison will introduce changes to Policy 11- Recovery of Wage Overpayments.
- Credit Union deductions will be converted to Direct Deposits requiring financial institution information.
- Employees that live and/or work outside of the state of Tennessee will be subject to state taxes.

Activities

1. View General Deduction
2. View Employee Tax Data
3. View Employee Garnishment
4. View Bond Purchase and Amount Activity

Exercises

1. View General Deduction
2. View Employee Tax Data
3. View Bond Purchase and Amount Activity

Self-Assessment

1. View Employee Tax Data

Payroll Lesson 3: Understanding the Pay Calc and Confirm Process

Discussion

In this lesson, we will discuss the business process steps involved to run preliminary and final pay calculations and understand the information available for Agency payroll analysis purposes. The lesson also includes the steps to run pay period reports for analysis and validation of payroll.

Key Notes:

- Approval from the Department of Human Resources for Central Payroll to run the Final Calc and Confirm Processes.
- Gross-to-Net calculations can be validated before final payroll runs. Currently, this cannot be done with the legacy system.
- Preliminary calculation validations provide the ability for Agencies to produce reports and queries to determine the accuracy of submitted payroll information (i.e. hours, earnings, deductions and tax information).
- On-Cycle/Off-Cycle: On-Cycle is the end of the payroll process for a pay period. Off-Cycle marks the beginning of the next pay period.
- Viewing employee paycheck through Self Service is available only after the Payroll has been confirmed. Preliminary calc pay check data is not viewable through Self Service.

Activities

1. Understanding the Pay Calc and Confirm Business Process – Discussion Only
2. Run Pay Period Validation Reports
3. Reviewing Paycheck Summary

Exercises

None

Self-Assessment

1. Run Pay Period Validation Reports

Payroll Lesson 4: Self Service Payroll Transactions

Discussion

This lesson will discuss the information and transactions employees will access using Self Service.

Key Notes:

- Self Service is a new tool for employees to access their information.
- Employees will have up to three direct deposit options.
- Employees can add and change a direct deposit option but not delete or request a check.
- Employees will be able to access Self-Service to view their paychecks approximately two days before pay day.

Activities

1. View Paycheck
2. Direct Deposit
3. W-4 Tax Information
4. W-2 Reissue Request

Exercises

None

Self-Assessment

1. View Paycheck
2. Direct Deposit
3. W-4 Tax Information
4. W-2 Reissue Request

Payroll Lesson 5: Off-Cycle Transactions / Reversals

Discussion

In this lesson, we will discuss off-cycle transactions as they apply to prior period adjustments, pay discrepancies, lost checks or reversals.

Off-Cycle – *Off-cycle payroll processing refers to processing payments and making corrections to finalized results outside of the normal payroll schedule. Off-cycle transactions are typically made to correct prior payments or to make early termination payments that cannot wait until the next scheduled on-cycle payroll. Off-cycle processing opens up payroll processing for the next pay period.*

Reverse Paychecks - *A reversal is appropriate when a check or payment has been produced and it is subsequently realized that the check or payment should not have been processed at all, or produced with incorrect information, and the check has not been cashed or deposited.*

Examples:

- *An employee is terminated at the end of the last pay period and receives what should be the final paycheck. However, the Human Resources department fails to enter the termination into the system. So, when paysheets are created and processed for the next pay period, the system produces a paycheck for the employee. The employee's supervisor reports the termination to the Payroll department and that no check should have been produced. The Payroll department runs a reversal on the incorrectly issued check backing it out of the system.*
- *An employee was not paid at the right rate.*
- *An employee was taxed in the wrong state.*

Key Notes:

- The entire paycheck amount will have to be reversed, even if only a partial amount of the pay actually needs to be reversed.
- Bonuses and those off-cycles involving numerous employees that relate to the exact same type of transaction will be paid via direct deposit. All other off-cycle checks will be paid via a paper check.
- Cancel and Cancel/Reissue will be attached to a future pay run id. Currently, these types of transactions are attached to the current pay period.

Activities

1. Process Off-Cycle - Discussion Only
2. Process Reversals - Discussion Only

Exercises

None

Self-Assessment

None

Payroll Lesson 6: Process Retroactive Transactions

Discussion

This lesson will briefly discuss the business process steps to generate and process retro pay requests when pay-related changes to the employee's Job Data records are made.

PeopleSoft Payroll automatically generates retro pay requests when you make pay-related changes to job data or additional pay records.

Activities

1. Understanding the Retroactive Transaction process - Discussion Only

Exercises

None

Self-Assessment

None

Payroll Lesson 7: Reports and Queries

Discussion

This lesson will review the reports and queries available to the Agency to track employee payroll information.

Activities

1. Deduction Validation Query
2. Other Earnings Validation Query

Exercises

1. Incorrect FICA Status - Instructor Demo
2. 120 Day FICA Status Employee – Instructor Demo

Self-Assessment

None

Course Review with Question and Comments

Questions and Comments

Evaluation